

RSC Policy Brief: Where Are the Jobs?

Come Work for Uncle Sam!

May 2010

Background: On February 17, 2009, President Obama signed into the law the American Recovery and Reinvestment Act – more commonly known as the “stimulus.” While campaigning across the country to push for support for the bill, the President claimed in Elkhart, Indiana, that the stimulus “...will save or create 3 million to 4 million jobs over the next two years.” The White House estimates the stimulus has saved nearly 2 million jobs.

Several weeks after the legislation was signed into law, the Bureau of Labor Statics (BLS) [released](#) the March 2009 unemployment numbers and announced that the number of unemployed persons increased by 694,000 to a total of 13.2 million, and the unemployment rate rose to 8.5 percent. Over a year after the “stimulus” was enacted the [BLS listed](#) the number of unemployed persons at 15 million, and the unemployment hovered around 10% percent. In addition, according to the Commerce Department’s Bureau of Economic Analysis, personal income for Americans (not counting government benefits) has [fallen](#) by 3.2% since President Obama took office.

Thanks to the private sector hemorrhaging more than an estimated 7 million jobs over the past three years and 1.8 million additional people standing in the unemployment line after passage of the “stimulus,” many in Congress and across the country are asking “where are the jobs?” Late last year, [USA Today](#) issued a report that started to shed light on that question. The RSC has produced the following document highlighting employment trends within the federal workforce.

Booming Employment Opportunities & Pay: Federal sector employment is booming at a time when many Americans struggle to find work.

- ◆ The number of [federal employees](#) making over \$100,000 has increased by almost 5% since 2007. Currently, there are more workers in the federal government earning at least \$100,000 than \$40,000.
- ◆ Since the recession began in 2007, public worker pay has [risen 7.8 percent](#).
- ◆ The average federal salary (including benefits) is set to grow from \$72,800 in 2008 to \$75,419 in 2010, [CBS reported](#).
- ◆ In 2007, the Department of Transportation had one employee making over \$170,000. At the end of last year, it had [1,690 employees](#) making that amount.
- ◆ All in all, federal jobs have increased by [82,000](#) since December 2008. It helps that the Department of Commerce has hired [tens of thousands](#) of temporary works over the past three months for the U.S. Census.
- ◆ The [federal pay premium](#) cut across all job categories — white-collar, blue-collar, management, professional, technical and low-skill. In all, 180 jobs paid better average salaries in the federal government (83%); 36 paid better in the private sector (17%).
- ◆ The private sector [paid more on average](#) in a select group of high-skill jobs, such as lawyers, veterinarians and airline pilots. The government's 5,200 computer research scientists made an average of \$95,190, about \$10,000 less than the average in the corporate world.

State vs. Federal: As states face astronomical budget shortfalls, many governors are making decisions that affect state employees to reduce budget shortfalls. [From layoffs](#) to [mandatory furloughs](#), some governors and local leaders are pursuing ideas to benefit the taxpayer by forcing state and local public employees to make some sacrifices during this recession. While state employment also carries similar perks to many federal jobs, some governors are taking action to reign in benefits during the recession.

In Washington, the number of federal employees has not only increased, the 2010 pay increase for federal civilian employees was [2.0 percent](#). In 2009 the average federal employee received a [pay raise of 3.9%](#) and received [an average pay increase of 3.5%](#) in 2008.

In addition, Democrats also made federal workforce benefits even more generous in 2009 by inserting the following provisions into the National Defense Authorization Act.

- ◆ Changing the Federal Employee Retirement System (FERS) to allow employees to count unused sick time towards retirement.
- ◆ Changing retirement calculations for Civil Service Retirement System employees to substitute full time salaries for those years previously designated as part-time work in order to create a more lucrative retirement package.
- ◆ Encouraging former federal employees to return to government service by changing FERS requirements to allow them to redeposit the retirement money they withdrew and credit their previous time towards retirement.

High Society Living: Loudoun County, Virginia, ranks as [the richest](#) county in the United States. In fact, *six of the top 10 wealthiest counties in the nation are all suburbs of Washington D.C.*

Work from Your Million Dollar Home: The White House recently held a forum on “[Workplace Flexibility](#)” to discuss ways to help working parents stay at home for the purpose of telecommuting. The private sector should be able to dictate the best way to handle employee performance and telecommuting might be a good idea in many instances for employees that get paid by performance. However, some might argue the opposite holds true for federal employees. Yet the [Office of Personnel Management](#), under the Obama administration, will study the effectiveness of workers telecommuting, as opposed to coming into the office to work.

Race to the Bottom: USAJobs.gov is the government’s primary avenue for listing job openings, and they are known for their lengthy application process and for not responding to most applicants. This week, the Obama Administration simplified the federal hiring process through [Executive Order](#) in order to meet the high demand. Instead of imposing stringent hiring standards, the Obama administration has decided the standards are too tough and is breaking down barriers that were meant to lead to a more competitive workforce.

Union Protection: Earlier this year, the [Bureau of Labor Statistics reported](#) that for the first time, a majority of union members are government workers rather than private-sector employees.

Even If you’re Not a Fed, Uncle Sam Will Treat You Like One: In another payoff to the union lobby, the Obama administration and Congress have applied Davis-Bacon prevailing wage requirements to many additional federal contracts. The Davis-Bacon Act requires government contractors to pay increased wages for government contacts.

How much higher are the wages? They average [22% above](#) private market rates. If Congressional Democrats wanted a no-cost “stimulus,” they would repeal this job killing act. [According](#) to the Heritage Foundation, repealing Davis-Bacon would have saved \$11.4 billion in FY 2010 alone.